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29 August 1960

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BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

29 August 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

East Germany: The number of East Germans registering at the West Berlin refugee center during the week ending 23 August was 4,034=1,791 more than during the corresponding 1959 period, and the fifth highest weekly total since 1955. Since the regime began forced agricultural collectivization last winter, refugee flow to West Berlin has been consistently higher than during 1959. Although the peak in defections is usually reached in late August and September, the present greatly increased flow of refugees reflects growing popular fear that further repressive measures may be impending and that tighter controls may be imposed on travel to Berlin. Regime pressure during the harvest period may have led many farmers to flee immediately after selling their last privately owned crops.

II. ASIA-AFRICA

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Indonesia: Political tensions are increasing in Indonesia over the army's ban on 24 August of the Communist party and its front groups in South Borneo. Although South Borneo is not an area of Communist strength, the ban is a significant act of defiance against President Sukarno and is presumably a retaliatory move for the President's dissolution on 17 August of the anti-Communist Masjumi and Socialist parties. Sukarno is reported 'very angry' over the army's ban and undoubtedly will take some counteraction, which could lead to a showdown with army chief of staff General Nasution.

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Congo: Premier Lumumba's success against the secessionist "Mining State" in Kasai Province may encourage him to plan an early invasion of neighboring Katanga Province. Katanga President Tshombé has already started defensive military measures. In an effort to forestall UN intervention, Lumumba may soon press his demand that UN troops leave the Congo as soon as Belgian troops complete their withdrawal--expected in early September.

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Secretary General Hammarskjold indicated 26 August that he would regard such a demand by Lumumba as a "formal request" and would call an emergency session of the Security Council. He would tell the council that the Congolese Army could not maintain order and that a UN withdrawal would lead to foreign intervention. Hammarskjold believes the Congo crisis will come to a head within the next week. The mood of the Congolese Army was demonstrated when it made widespread attacks on Europeans—including American and UN personnel—at Stanleyville on 27 August.

The American ambassador in Leopoldville believes that the USSR has selected "foodlifts" as an easy way to introduce men and materials into the Congo without the usual customs inspection. He reports that "over 100 Caucasians" have arrived in the Congo via Soviet aircraft since 1 August and expects that a substantial number will arrive soon aboard 10 large Soviet aircraft understood to be en route.

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25X Approved For Release 2002/09/05 : CIA-RDP79T00975A005200510001-7 25X1 LATE ITEMS *Laos: Delegations from Savannakhet and Vientiane, led respectively by General Phoumi and Souvanna Phouma, are arriving in the royal capital of Luang Prabang to mediate differences before a reunited National Assembly in sessions now scheduled to start on 30 August. Mutual suspicion and personal antagon-DE isms are still running high but there is cautious optimism

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General Ouane, Captain Kong Le is apparently still in a position to influence the formation of the new government.

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among American observers that a compromise settlement can be reached. Although overt military command in Vientiane is passing increasingly into the hands of Laotian Army commander

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*Cuba: Cuba's defiant walkout from the OAS foreign ministers' meeting on 28 August further isolates the Castro regime from other hemisphere nations and emphasizes to them that the Cuban Government has rejected the inter-American system in favor of greater dependence on support from the Sino-Soviet bloc. Cuban Foreign Minister Roa, whose position was based on the alleged "imminent threat" of US military intervention, hinted that Cuba may take its case back to the UN Security Council. His speeches clearly implied that the Castro regime continues to regard itself as the vanguard of "the antiimperialist revolution" that will eventually sweep the entire continent.

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Increased Political Tensions in Indonesia

Political tensions are increasing in Indonesia over the army's ban on 24 August of the Communist party and its front groups in South Borneo. These developments will further aggravate the strain between the army and President Sukarno and could culminate in a showdown between the two.

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President Sukarno is reported "very angry" over the army's ban and has questioned army chief of staff General Nasution concerning the local commander's authority to take such action. The army, however, intends to extend the ban, on a staggered basis, to South Celebes, South Sumatra, and the Lesser Sundas. The Communist party has protested to the attorney general's office that the South Borneo commander has no right to ban the party, and has asked the War Administration Office, which is headed by Sukarno, to review his action.

The South Borneo commander banned the party within the broad powers he holds as regional war administrator under the prevailing state of emergency in most areas of Indonesia. Although the Communist party is active in South Borneo, it is not an area of Communist strength, and any overt resistance to the ban can be easily contained. The ban is a significant act of defiance against Sukarno and is presumably a retaliatory move for the President's dissolution on 17 August of the anti-Communist Masjumi and Socialist parties.

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The Situation in the Congo

Premier Lumumba's success in capturing the capital of the secessionist "Mining State" in Kasai Province may encourage him to plan an early invasion of provincial President Tshombe's rebellious Katanga Province. Tshombe's forces have already begun preparing defensive installations, and UN Ethiopian troops have reportedly taken up positions along the Kasai-Katanga border, presumably to discourage attacks from either side. Lumumba's desire to avoid possible intervention by UN troops in his invasion plans may cause him to press for rapid compliance with his renewed demand of 26 August that UN troops leave the Congo as soon as Belgian troops complete their withdrawal--now expected within a week.

Secretary General Hammarskjold,
on 26 August, stated that Lumumba must be "broken." He implied this might be accomplished by discrediting Lumumba in the UN should the African leader persist in his demand for withdrawal of UN troops from the Congo. The secretary general indicated he would regard this as a "formal request" and would call an emergency session of the Security Council for instructions. He added that his intention in this event is to inform the council that the Congolese Army could under no circumstances maintain peace and order in the Congo and that a withdrawal of UN troops would undoubtedly lead to foreign intervention and therefore to a breach of the peace.

Hammarskjold believes the Congo crisis will come to a head following the end of the current meeting of African leaders in Leopoldville-expected on 30 August-particularly if Lumumba believes he has the support of these leaders.

The conferees, however, reportedly have advised Lumumba against taking any move to weaken UN influence in the Congo and indicated further that any aid given by their countries must be channeled through the UN.

The mood of the Congolese Army was demonstrated on 27 August when it made widespread attacks on Europeans—including the crew

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of an American transport aircraft as well as Swedish and Canadian members of the local UN headquarters—in the Stanleyville area. The army has repeatedly used strong—arm tactics against numerous "white" UN personnel as well as against Caucasian members of the press throughout the Congo crisis.

Meanwhile the Communist bloc continues to make significant gains in the Congo. The American ambassador in Leopoldville reported that "over 100 Caucasians" had arrived on Soviet aircraft since 1 August and a "substantial number" was expected soon aboard 10 large Soviet aircraft understood to be en route--ostensibly carrying food. The ambassador believes the USSR has selected "foodlifts... as an easy way to introduce men and materials with impunity," since these Soviet aircraft are permitted to dispense with normal customs procedures. In addition, an undisclosed number of bloc technicians arrived in the Congo aboard a Soviet

vessel on 22 August.	

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Situation in Laos

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Key members of the two contending political factions in Laos, headed by General Phoumi and Souvanna Phouma, are converging on the royal capital of Luang Prabang to resolve their differences before a reunited National Assembly, now scheduled to open sessions on 30 August. Phoumi, accompanied by 22 assembly deputies and other principal supporters, arrived from Savannakhet on 28 August. Premier-designate Souvanna and 34 fellow deputies from Vientiane are scheduled to arrive on 29 August. Both Phoumi and Souvanna are anxious to have private discussions with King Savang prior to the assembly deliberations, since his attitude could be a decisive factor.

Spokesmen for both factions claim the loyalty of a majority of the deputies, but the attitude of many is open to question since party affiliations have been severely shaken by the 9 August coup. Mutual suspicion and personal antagonisms are still running high between the principal leaders of the two groups, but there is cautious optimism among American observers in Laos that a compromise settlement is in the making. assembly apparently will vote again on the motion of nonconfidence in the previous Somsanith government and on the investiture of the Souvanna cabinet which Phoumi asserts were originally voted under duress in Vientiane.

Formation of a new government will be influenced by the fact that Captain Kong Le still retains considerable authority in the Vientiane area, despite the passing of overt control to General Ouane, commander of the Laotian Army. Kong Le has relinquished command of the 2nd Paratroop Battalion to a subordinate officer, apparently in order to concentrate on his position as Quane's deputy.)

routes several miles outside Vientiane where they reportedly are acting as cadres for irregular forces assisting in the
capital's defense.
Ouane also places the total forces in the
Vientiane area at about 6,000, but the American military attaché believes this figure is too high, even if police elements are included.

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Ouane stated on 27 August that he assumed that the 3,800 arms issued to civilians would not be collected until Phoumi's countercoup forces withdrew or a political agreement was				
reached.				

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